

FINANCE AND AUDIT COMMITTEE
McHenry County Government Center – Administration Building
667 Ware Road
Woodstock IL 60098

MINUTES OF TUESDAY, FEBRUARY 15, 2011

Chairman Breeden called the meeting to order at 5:30 p.m. The following Committee members were present: Scott Breeden, Chairman; Mary Donner; Jim Heisler; John Hammerand and Tina Hill. Mary McCann arrived at 5:40p.m. Bob Bless was absent. Also in attendance: Ken Koehler, Chairman, McHenry County Board; Peter Austin, County Administrator; Ralph Sarbaugh, Associate County Administrator-Finance; John Labaj, Deputy County Administrator; Pam Palmer, Auditor; Cindy Kozlowski, Financial Analyst; Cathy Link, Purchasing; Adam Lehmann, Assistant to the County Administrator; Ersel Schuster and Kathleen Bergan Schmidt, County Board Members; Dennis Sandquist, Planning and Development; Cassandra McKinney, Water Resources; Pat McNulty, Health Department; Joe Korpalski, Walter Dittrich, Jason Osborn, Jeff Young and Sarah Chadderdon, Division of Transportation; interested public and the press.

Scott Breeden, Chairman	
Bob Bless	Mary L. Donner
John Hammerand	James Heisler
Tina Hill	Mary McCann

PUBLIC COMMENT: None.

Ms. McCann arrived at 5:40p.m.

PRESENTATION

Centegra's Proposed Huntley Hospital: Mr. Mike Easley, CEO and Ms. Susan Milford, Senior Vice President, from Centegra Hospital, joined committee members to present information regarding the proposed Centegra Hospital to be located in Huntley IL. Six years ago, Centegra began looking at what the medical needs of the County would be in the future based on the projected population growth. It was determined that the south western portion of the County would grow the fastest. Based on this information, Centegra purchased 110 acres in Huntley for future expansion of services. Since that time they have seen the use of medical services increased dramatically. It has since been determined by the Illinois Health Facilities Planning Board that the County is in need of additional hospital bed space. The second largest area of need is in Kane County and this Hospital would address that need as well. This property is located in a new service area which has been identified by the State as an area where additional beds are needed. The property purchased is located at Algonquin and Haligus Road. The proposed entrance to the hospital would be located on Haligus Road. They stated that the key point of this hospital is that it does not impact any other hospital in the community. This would be a full service campus. Committee members were informed that there is a website that has been set up so anyone interested could learn more about the proposed project. Ms. Milford and Mr. Easley thanked committee members for their time. Committee members questioned why this presentation was presented to the Finance and Audit Committee instead of an alternate committee. Committee members were informed that when approached by Centegra to provide a presentation, their initial thoughts were to have the presentation provided to the Public Health and Human Services Committee which was previously scheduled to be presented during that meeting. That meeting was cancelled because of the blizzard. It was then thought that the County's focus should be on the economic component of this proposal. This proposal would generate 800 construction jobs and 1100 new Centegra Associates to the community. Ms. Hill requested that the Resolution Authorizing Support of Approval for Centegra Hospital-Huntley brought forward for consideration at this time. Chairman Breeden provided suggested changes to the Resolution so that the County Board could support both the Centegra Hospital and Mercy Health System Hospital projects. Ms. Hill made a motion, seconded by Ms. Donner to recommend approval of the Resolution in Support of Approval for Centegra Hospital – Huntley. Ms. Hill voiced concern on supporting Centegra Hospital over the proposed new Mercy Health System Hospital – Crystal Lake. Committee members were informed that Mercy Health System Hospital has requested time for a presentation to the County Board as well. Both Hospitals would be a win/win for McHenry County. Committee members stated that the County should support both projects instead of supporting one project over another. Mr. Easley responded that he does believe that support by the County Board is a positive. He stated that duplication of services ends up costing individuals more in the long run. Ms. Hill and Ms. Donner amended the motion to change the last "whereas" to remove the word "best" to "well" suited and to change the Now, therefore be it resolved, to read "requests" the Health Facilities and Services Review Board to promptly "consider" Centegra's request for a Certificate of Need which will allow the project to become a reality. Mr. Hammerand made a motion, seconded by Ms. Hill to recommend the above changes as suggested. The motion carried with all members present voting aye on a voice vote. The original motion carried, as amended, with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

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MINUTES

Committee members reviewed the committee minutes from January 25, 2011. Ms. Donner made a motion, seconded by Ms. McCann to recommend approval of the minutes as presented. The motion carried with all members present voting aye on a voice vote.

NEW BUSINESS:

Resolution authorizing Workers' Compensation Claim Settlement No. 09-3200-11: Committee members reviewed a Resolution authorizing Workers Compensation Claim Settlement No. 09-3200-11. Ms. McCann made a motion, seconded by Ms. Hill to recommend approval of the above Resolution as presented. This claim is the result of an injury from a patrol officer who slipped on ice while responding to a traffic accident. This officer was again injured while in training and the two claims were combined into one. The re-injury resulted in a labral tear which required surgery to repair. The employee was returned to full duty without restriction in July 2010. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution authorizing Workers' Compensation Claim Settlement No. 10-3210-06: Committee members reviewed a Resolution authorizing Workers' Compensation Claim Settlement No. 10-3210-06. Ms. Hill made a motion, seconded by Ms. McCann to recommend approval of the above Resolution as presented. This claim was for a corrections officer that was injured while moving a combative inmate back into a cell. This claim went before an arbitrator who recommended a settlement of \$6,647.20 stating the claim was worth 10 weeks for a disfigurement case. The maximum allowed on a disfigurement case is for 162 weeks. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Appropriating Funds for the 2011 Transit Grant Program: Mr. Korpalski and Mr. Osborn joined committee members to present a Resolution Appropriating Funds for the 2011 Transit Grant Program. This is a follow up to the Division of Transportations presentation given at the previous County Board Meeting. The first resolution is appropriating of funds for the 2011 transit grant program and the second resolution is approving the technical services agreement. Approval of this resolution will allow for the continuation of funding for the program. Ms. McCann made a motion, seconded by Mr. Heisler to recommend approval for the Resolution Appropriating Funds for the 2011 Transit Grant Program. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Authorizing Applications for a Technical Services Agreement Under the Regional Transportation Authority's (RTA) General Authority to Make Such Grants: Committee members reviewed a Resolution Authorizing Applications for a Technical Services Agreement Under the Regional Transportation Authority's (RTA) General Authority to Make Such Grants. Ms. McCann made a motion, seconded by Ms. Hill to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Authorizing Salary Increases for the Board of Review for the Fiscal Budget Year 2010-2011: Committee members reviewed a Resolution Authorizing Salary Increases for the Board of Review for the Fiscal Budget Year 2010-2011. Mr. Sarbaugh informed committee members that this is a housekeeping issue that is brought forward in the budget. Committee members voiced concern that this was an increase of 15%. It was stated that this board has had at least a 15% increase in the work being performed by this board. An agreement was brokered for this increase with an agreement to decrease the per diem hours for the alternates. This Board is created by State Statute that says this must be a three member board. Alternates are paid a \$125 per diem. They must attend at least one hearing in order to maintain their certification. Committee members asked if they could find out how many meetings are covered by the alternates. They voiced concern that this information was not put into the memo. They questioned if the salaries will remain at this increase when the case load decreases. They were informed that this issue could be revisited if this should occur. The motion carried with a majority of those present voting aye on a roll call vote (Donner, Heisler, Hill, McCann, Breeden) Aye (Hammerand) Nay

Resolution Authorizing a Budget Line Item Transfer in the Planning and Development FY2011 Budget: Committee members reviewed a Resolution Authorizing a Budget Line Item Transfer in the Planning and Development FY2011 Budget. Committee members were informed that this will move funds from Planning and Development's regular salaries line item in order to pay for the 50% salary cost for the intern that will be an employee of the IDNR (Illinois Department of Natural Resources) with the County reimbursing the IDNR for the contractual services provided by the intern. This intern works with the Water Resources Department. Ms. McCann made a motion, seconded by Ms. Hill to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Approved 02 22 11

Resolution Authorizing the Re-Classification of Position #006-0006-05 from Buyer to Junior Buyer in the Purchasing Department's Departmental Roster: Committee members reviewed a Resolution authorizing the re-classification of position #006-0006-05 from Buyer to Junior Buyer in the Purchasing Department's Departmental Roster. Mr. Heisler made a motion, seconded by Ms. McCann to recommend approval of the above Resolution as presented. Committee members were informed that this Resolution has passed the Management Services and Human Resources Committees. The department had an employee on FMLA leave that resigned due to illness. Ms. Link stated that she met with Human Resources and Administration to see if a career path could be created for the current employee that has been doing the work of the buyer. This employee would be required to obtain her "buyer" certification in order to move into the Buyer position. She would be brought up to grade after completion of this certification. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden) This change creates an opening for an Administrative Assistant, which can be hired at a much cheaper rate than a buyer resulting in a savings of \$11,600 for the department.

Resolution Authorizing a Salary Increase for the Chief County Assessment Officer for the Fiscal Budget Year 2010-2011: Committee members reviewed a Resolution authorizing a salary increase for the Chief County Assessment Officer for the Fiscal Budget Year 2010-2011. This position receives half of their salary from the State. When the Chief County Assessment Officer was hired it was agreed that he would receive an increase of up to 5%. Since none of the employees received a raise, he agreed to the 3% increase. Ms. Donner made a motion, seconded by Ms. McCann to recommend approval of the above Resolution as presented. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Authorizing an Emergency Appropriation to Re-Appropriate into FY2010-2011 the Rolled Forward Encumbered Budget Dollars from Fiscal Year 2009-2010: Committee members reviewed a Resolution authorizing an emergency appropriation to re-appropriate into FY2010-2011 the rolled forward encumbered budget dollars from Fiscal Year 2009-2010. Mr. Heisler made a motion, seconded by Mr. Hammerand recommending approval of the above Resolution as presented. Committee members were informed that the County's accounting system allows departments to create purchase orders and direct purchase orders. At the end of the year any open contracts get rolled into the next budget year. According to State Statute, these funds need to be re-appropriated and approved by the County Board. Committee members stated that in the future they would like to have an idea of what these funds are being spent on. They voiced concern that they could not tell by the list provided what was being approved. They stated that they would like to know what services each vendor is providing. Chairman Koehler informed committee members that he reviewed this list intensively with the Associate County Administrator-Finance. He stated this was a very difficult process which took a lot of time, so if the committee members are interested, they are welcome to sit down to find out what is included within the list. Committee members were informed that in the future they would include the descriptions for Object Level 3, which should answer about 90% of all the questions. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Authorizing Budget Line Item Transfers in the Non-Departmental Fiscal Year 2010-2011 Budget: Committee members reviewed a Resolution Authorizing Budget Line Item Transfers in the Non-Departmental Fiscal Year 2010-2011 Budget. Mr. Sarbaugh informed committee members that this Resolution is the result of an oversight. Due to a misunderstanding, it was believed that no more principal payments or interest payments would be due on the 2002-A Debt Certificates after fiscal year 2010, so there were no payments budgeted for fiscal year 2011. It was brought to our attention that one last final payment was due on January 15th in the amount of \$417,174.56 which was promptly paid to prevent any further interest charges. Due to the County Board allowing the purchase of squad vehicles from the FY2010 budget, with these same dollars being budgeted for 2011, there is enough budget to cover the budgeting error without having to increase the size of the budget. Ms. Donner made a motion, seconded by Ms. Hill to recommend approval of the above Resolution as presented. Mr. Sarbaugh informed committee members that this moves funds so the payment can be posted. The vehicles purchased were off the State Contract, which was less than expected. The telephone switch contract came in under budget as well. The surplus budget was moved into Capital Funds. The funds moved cover this payment without growing the budget. Committee members requested Resolution 5.12 brought forward and considered at the same time as this one since that resolution allows for the payment of the debt certificates. Ms. Hill and Ms. Donner amended their motion to include approval of the Resolution authorizing an emergency appropriation to the Series 2002-A Debt Certificate Fund fiscal year 2010-2011 budget as well as approval of the Resolution Authorizing Budget Line Item Transfers in the Non-Departmental Fiscal Year 2010-2011 Budget. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

Resolution Authorizing the Purchase of Two Animal Control Vans: Committee members reviewed a Resolution authorizing the Purchase of Two Animal Control Vans. Because two vehicles were becoming mechanically unsafe to drive, it has become necessary to purchase two vans at this time. One of the two vehicles was involved in an accident requirement this replacement to be moved up. Ms. Donner made a motion, seconded by Ms. McCann to recommend

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approval of the above Resolution as submitted. The motion carried with all members present voting aye on a roll call vote (Donner, Hammerand, Heisler, Hill, McCann, Breeden)

OLD BUSINESS

Committee meeting schedule for 2011: Committee members discussed the proposed meeting schedule for the Finance and Audit Committee for 2011. Committee members agreed to meet the second and fourth Tuesday of the month at 9:30a.m.

REPORTS TO COMMITTEE

Auditor's Report: None

Contingency Reports: Mr. Sarbaugh informed committee members that there were two contingency reports provided to the Committee members this month. The first report is the yearend report for FY2010. The FY2010 report shows the payment for the Special Prosecutor. The second report is for the beginning of FY2011.

FUTURE TOPICS

Committee members questioned if they would be discussing possible raises for the employees in the near future. When previously discussed they had stated they would bring this issue up in February or March to review numbers to determine if this was a possibility. Committee members were informed that a meeting has been scheduled for this Friday to look at the indicators and provide more information to the committee members.

EXECUTIVE SESSION: None.

ADJOURNMENT: Noting no further business, Mr. Heisler made a motion, seconded by Ms. McCann to adjourn the meeting 6:46 p.m. The motion carried with all ayes on a voice vote.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION:

- Resolution Authorizing Workers' Compensation Claim Settlement No. 09-3200-11
- Resolution Authorizing Workers' Compensation Claim Settlement No. 10-3210-06
- Resolution Appropriating Funds for the 2011 Transit Grant Program
- Resolution Authorizing Applications for a Technical Services Agreement Under the Regional Transportation Authority's (RTA) General Authority to Make Such Grants
- Resolution Authorizing Salary Increases for the Board of Review for the Fiscal Budget Year 2010-2011
- Resolution Authorizing a Budget Line Item Transfer in the Planning and Development Fiscal Year 201 Budget
- Resolution Authorizing the Re-Classification of Position #006-0006-05 from Buyer to Junior Buyer in the Purchasing Department's Departmental Roster
- Resolution Authorizing a Salary Increase for the Chief County Assessment Officer for the Fiscal Budget Year 2010-2011
- Resolution Authorizing Support of Approval for Centegra Hospital Huntley
- Resolution Authorizing an Emergency Appropriation to Re-Appropriate into Fiscal Year 2010-2011 the Rolled Forward Encumbered Budget Dollars from Fiscal Year 2010-2011 Budget
- Resolution Authorizing Budget Line Item Transfers in the Non-Departmental Fiscal Year 2010-2011 Budget
- Resolution Authorizing an Emergency Appropriation to the Series 2002-A Debt Certificate Fund Fiscal Year 2010-2011 Budget
- Resolution Authorizing the Purchase of Two Animal Control Vans

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